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TO: Chairman Nerison and the Members of the Assembly Agriculture Committee
FROM: Representative Gary Tauchen
DATE: February 9th, 2012
RE: AB 489 Testimony

Good morning. I would like to thank Chairman Nerison and the members of the Assembly Agriculture Committee for hearing Assembly Bill 489 today.

AB 489 is proposing a new funding source for a current program that has been funded with Federal funds via USDA. The USDA earmark that has funded this program in the past has ended.

Wisconsin's livestock industry is a \$36.5 Billion business. The livestock industry has a tremendous economic impact. It is an industry worth protecting.

Act 229 established a mandatory premises registration program in Wisconsin in 2003. This program has been a useful tool for the Department of Agriculture, Trade, and Consumer Protection in improving their ability to effectively manage animal disease in Wisconsin.

AB 489 provides funding for the mandatory premises registration program and provides a voluntary incentive program for producers and industry utilizing RFID tags and equipment for herd management and official animal identification. This public-private partnership will not only protect our industry but offer the opportunity for marketing our livestock and livestock products both locally and internationally.

AB 489 has three components: 1) Premises Registration - The state will provide matching funds up to \$250,000 for every dollar earned or raised by the livestock industry. There is no fee for producers. 2) As part of the funding mechanism, there is a voluntary individual animal identification program where producers who purchase RFID (Radio Frequency Identification) tags can apply for a state tax credit of 25%. This tax credit can be carried forward if you don't owe taxes. This is an incentive program for those who participate and is not mandatory. 3) There is a 25% state tax credit for RFID reading equipment. As with RFID tags, this tax credit may be carried forward for reading equipment if no tax is owed. This tax credit is available for producers, industry, or veterinarians who purchase RFID reading equipment.

AB 489 combines a mandatory premises registration program and a voluntary incentive program that will provide tools to protect Wisconsin's livestock industry. I urge the Agriculture Committee's continued support of this important initiative.

Again, I would like to thank the Ag Committee for hearing AB 489 today. Are there any questions?



State Senator Sheila Harsdorf

Date: February 9, 2012

To: Assembly Committee on Agriculture

Fr: Senator Sheila Harsdorf

Re: Assembly Bill 489 – Maintaining livestock premises registration information and providing a tax credit for livestock identification tags and tag-reading equipment

Chairman Nerison and Committee Members,

Thank you for holding a hearing on Assembly Bill 489 (AB 489), which seeks to continue the livestock premises registration program, ensure the continued maintenance of livestock premises registration data, and create a tax credit for livestock identification tags and tag-reading equipment.

Under Wisconsin law, registration of premises is mandatory for those that keep and raise livestock. Livestock premises are considered to be any location where livestock is kept or congregate, including such locations as farms, feedlots, or markets. The purpose of livestock premise registration requirements is to provide information to animal health experts in the case of an animal disease outbreak that would threaten the safety and health of consumers, other animals, or our state's agriculture industry.

It is important to note that Wisconsin requires premises identification, not individual animal identification. AB 489 does not make any changes in regards to requiring individual animal identification.

Wisconsin's livestock premises registration program is a public-private partnership with the Wisconsin Livestock Identification Consortium (WLIC). Under the program the individual or party responsible for livestock registers the location where the livestock is kept with WLIC. A unique identifier is then assigned to that location. This program has been funded through the use of federal funds.

WLIC and the Department of Agriculture, Trade and Consumer Protection (DATCP) have been notified that federal funds for Wisconsin's livestock premises registration program will soon no longer be available. In order to maintain the information already obtained by the state and continue registering premises in Wisconsin, a funding source needs to be provided to continue the program. If a funding source is not provided, it is my understanding that Wisconsin's premise records would need to be transferred to a federal recordkeeping system and would not be as accessible as through our current program.



State Senator Sheila Harsdorf

This legislation would allow DATCP to provide funds up to \$250,000 in the form of a matching grant to WLIC to continue the livestock premises registration program. This funding will help ensure the information already collected will remain available in the case of an animal health outbreak to allow timely and appropriate responses.

AB 489 would also create an income tax credit for those that purchase radio frequency identification (RFID) tags and tag-reading equipment for their livestock. This credit seeks to address concerns with the loss of federal grants previously provided to producers for this purpose.

The Senate companion to AB 489, Senate Bill 396, was approved by the Senate Committee on Agriculture, Forestry, and Higher Education on a 7-0 vote.

Thank you for your consideration of this legislation. I welcome any questions or concerns you may have.



State of Wisconsin
Governor Scott Walker

Department of Agriculture, Trade and Consumer Protection

Ben Brancel, Secretary

Chairman Nerison and committee members, thank you for the opportunity to testify today on AB 489. I am Dr. Bob Ehlenfeldt, state veterinarian with the Wisconsin Department of Agriculture, Trade and Consumer Protection. I just have a few comments on this bill for information only.

Livestock premises registration is mandatory in Wisconsin under Wis. Stats 95.51, the rules have been in effect since January 1, 2006. Over 60,000 livestock premises have been registered in Wisconsin. Some of you will recall my testimony in support of 95.51.

DATCP has been contracting with the Wisconsin Livestock Identification Consortium (WLIC) to manage this program with earmark federal funding

The federal earmark funding has been discontinued.

If there is no funding for WLIC to continue operations, DATCP would be forced to move the premises data to the federal system which is less reliable, less available and DATCP would not have complete control over the data creating potential confidentiality issues.

WLIC also stores over 1,000,000 individual animal identifications that Wisconsin producers have voluntarily identified their animals with. Without funding, this information would also be lost which could make animal disease traceability more difficult in the future.

Again, thank you for the opportunity to testify.

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February 9, 2012

To: Chairman Lee Nerison and members of the Assembly Committee on Agriculture

From: John Manske, Director of Government Relations
David Ward, Director of Government Relations and Dairy

Re: Support of Assembly Bill 489 (AB 489)

Thank you for holding a hearing on AB 489 which will provide financial assistance for Wisconsin's mandatory premises registration program and a tax credit for individuals and businesses which purchase livestock identification tags and tag-reading equipment.

2003 Wisconsin Act 229 created Wisconsin's Premises Registration Program. Livestock premises registration applies to any location where livestock congregate. Premises registration is important because it enables a quick reaction in the event of a disease outbreak. Wisconsin was the first state in the nation to mandate livestock premises registration. Wisconsin has a public-private partnership with the Wisconsin Livestock Identification Consortium (WLIC). The program was funded primarily through grants from the USDA Animal and Plant Health Inspection Service (APHIS) Veterinary Service. Unfortunately federal budget cuts have eliminated the grants DATCP used to fund the Premises Registration Program.

WLIC is developing a livestock industry-wide support system to help fund Wisconsin's Premises Registration Program. AB 489 will make the State of Wisconsin a partner. In addition, WLIC has made Wisconsin a leader in animal identification which will benefit our livestock industry if traceability of the source of food products becomes an issue in the future. AB 489 will allow WLIC to continue its cutting-edge work on animal identification at little or no cost to livestock producers.

Cooperative Network registered in favor Senate Bill 396 (SB 396) the companion bill to AB 489. SB 396 was recommended by the Senate Committee on Agriculture, Forestry and Higher Education by a 7-0 vote.

**Assembly Bill 489 – Public Testimony
from David Cooper, WLIC Chairperson**

Dear Chairman Nerison and Committee members. Thank you for allowing me to provide testimony regarding AB489 which is provided today. My name is David Cooper, General Manager of Family Dairies USA and current Chairperson of the Wisconsin Livestock Identification Consortium (WLIC) Board of Directors.

With federal funds being diminished, our organization began discussions with the Wisconsin Department of Agriculture, Trade and Consumer Protection on avenues to keep these programs going. At the request of Wisconsin Secretary of Agriculture, Ben Brancel, we engaged the livestock industry by first establishing a diversified task force of producers and industry representatives to identify critical components, then the established key elements important to a continued program. It was important for Wisconsin to maintain this critical infra-structure and determine what steps should be undertaken to open up marketing opportunities for Wisconsin livestock and livestock products. We reached out to industry by engaging over 50 WI livestock and industry groups on a draft proposal titled "Partnership to Protect & Promote Wisconsin". The task force was well aware of the tough economic times and opted for a 50-50 public-private cost share program, but also wanted to identify the importance of value added, while safe guarding Wisconsin products and markets. Following input from industry representatives, this proposal was finalized and presented to the WLIC membership and received unanimous approval.

The resulting proposal had to meet the following requirements presented by producers and industry:

- Maintain the mandatory premises registration program and provide animal health officials the tools they needed to do their job.
- Continue to provide a non-fee to producers for premise registration.
- Maintain a voluntary animal ID program where those that elect to participate pay into the system.
- Maintain the confidentiality of producer data.
- Meet USDA traceability requirements that become law.

We believe the resulting proposal meets the aforementioned requirements and provides the following benefits to Wisconsin producers, businesses and consumers:

- Maintaining the premises registration system will limit the impact of a disease outbreak and protect our livestock industry and producers while adding job security.
- A Wisconsin branded ID tag incentive program will allow Wisconsin livestock producers and allied industry to:
 - o Allow investment in new technology (feeding stations, sort gates, scales, parlors, etc.)
 - o Improve production efficiency & profitability
 - o Enhance record keeping and management of critical identifiers in the business
- A Wisconsin branded ID tag program helps promote Wisconsin agriculture and expand marketing opportunities of Wisconsin livestock and livestock products locally and internationally.
- Producers will invest in new technology which creates an environment that enhances protection and promotes & grows the industry.
- Increased sales can lead to higher profitability and growth which may result in more jobs.

To show the commitment of the industry, I am pleased to announce that since the start of this year our livestock industry has already committed \$48,000 towards our goal of raising \$100,000 in sponsorships. In addition one tag manufacturer has already committed to participating in the Wisconsin branded tag program and 2 more are pending which would increase the sponsorship dollars by another \$20,000. Producer groups have been presenting the proposal "Partnership to Protect & Promote Wisconsin" to their membership and we have received favorable comments from a number of groups.

Thank you for your time. If I can answer any questions for you, please don't hesitate to contact me via phone or email.

Sincerely,

David Cooper
WLIC Chairperson

Cell Phone – 608-516-1184
Email - dcooper@fdusa.org



Partnership to Protect & Promote Wisconsin

Established in 2002, the Wisconsin Livestock Identification Consortium (WLIC) is a non-profit livestock producer and industry organization. WLIC was established as a statewide initiative to develop a livestock identification and information system to protect animal health and market access. Representing more than fifty businesses, organizations and livestock producer associations, WLIC draws upon the collective strength of its diverse membership to help strengthen and advance animal disease traceability in Wisconsin and the nation as a whole. With decreased federal funding and the livestock industry and producers taking on a larger role in protecting animal health, WLIC's efforts going forward are focused on ways to offer opportunities to the industry to enhance the marketability of Wisconsin livestock and products while protecting the health of Wisconsin animals.

A Three-Part Approach

The Partnership to Protect & Promote Wisconsin is a three-part approach to protect Wisconsin's livestock industry while maintaining confidentiality of producer data and not increasing the cost to producers.

- 1 Protect.** Part One of the plan involves a shared federal and state contribution to fund the regulatory components of the program. Their combined contribution of \$250,000 would allow the continuation and maintenance of the mandatory state premises registration program. Maintaining the premises program is critical to protecting the livestock industry and will allow animal health officials to more quickly respond to a disease outbreak.
- 2 Market.** Part Two of the plan involves a Wisconsin Origin branded tag initiative. The Wisconsin Origin tag would consist of a WI seal printed by tag manufacturers on AIN (840) and Premises ID tags distributed in Wisconsin. As consumers and export markets require more traceability of the product sold back to the farm of origin, the Wisconsin branded tag initiative will allow Wisconsin to take a leadership position in this effort. It will also allow for marketability of Wisconsin livestock and livestock products abroad. The potential of a state incentive for producers who purchase the official Wisconsin branded tags is being proposed as part of this program. Tag companies will be asked to pay a small amount per tag printed and/or annual licensing fee for the branded official tag. The goal of the branded tag initiative is to raise \$150,000 to pay for the animal identification and traceability program.
- 3 Educate.** Part Three of this plan will be an Industry Sponsorship program which will allow any individual or organization that supports WLIC's efforts to make a monetary contribution. The sponsorship program will have different levels of contribution and WLIC's goal is to generate \$100,000 through the sponsorship program. In return, WLIC will offer a variety of outreach services and advertising opportunities which can be tailored to the needs of the individual or organization. The money generated through the sponsorship program will be utilized to educate producers and youth on the value of animal health as it relates to premises registration and the benefits of animal identification for herd management and marketing opportunities. The money would also be allocated toward maintaining tradeshow appearances, news articles, and other media related material.

This plan was approved by the WLIC Board of Directors and Membership on September 20, 2011.



WLIC Status Update

Who is WLIC?

The Wisconsin Livestock Identification Consortium (WLIC) is composed of more than 50 member businesses, organizations and livestock-related associations and its effort includes producers, cooperatives, private businesses, and government entities.

What does WLIC do?

- WLIC is a livestock industry driven initiative that grew out of a need to develop a livestock identification and information system.
- WLIC was created to support the protection of animal health, and the economic infrastructure fueled by animal agriculture.
- WLIC is safeguarding market access and offering agriculture producers opportunities to enhance the marketability of Wisconsin livestock products.
- WLIC supports integration of a traceability system to strengthen Wisconsin's biosecurity system and gain global market access.

What has WLIC achieved in Wisconsin?

WLIC has introduced several producer-focused projects in Wisconsin to help integrate, and raise awareness of, the benefits of a livestock identification system:

- 28 County and State Fair production animal weigh-ins are using Radio Frequency Identification Devices (RFID) tags and readers to reinforce the importance of animal identification and introduce this technology to animal agriculture's future.
- The Livestock Vantage initiative was created to increase awareness and understanding of livestock identification, premise registration and animal tracing, gaining support of this multi-species program.
- WLIC's Free Tag Startup Program has issued over 300,000 official Animal Identification Numbered (AIN) RFID tags to farms in Wisconsin. These devices have helped increase on-farm efficiency, translating to greater revenue for some producers.

WLIC has helped Wisconsin reinforce their national leadership in premises registration and animal identification through the following milestones:

- Registered 66,000 premises in Wisconsin – leading the country.
- Issued over 600,000 official AIN RFID tags to producers, veterinarians and county and state fair exhibitors – fourth most in the country.
- Recorded over 1,200,000 animals in the state with an RFID, an increase of 20% from 2010 to 2011.
- Read 1,400 animals at livestock markets on an average month, an increase of 65% from 2010 to 2011.

With the support of people like you, WLIC's work will continue to generate new opportunities, allowing animal agriculture and associated industries to grow and compete successfully. For the most current and correct animal identification information, or to learn more about Wisconsin's efforts towards a secure animal identification system, call WLIC at 1-888-808-1910, e-mail Robert Fourdraine at rfourdraine@wiid.org or visit www.wiid.org.



Did You Know?

WLIC Website Exposure:

Since October 1st, 2011 through December 31st, 2011 WLIC has had:

- ~2,402 visitors to the wiid.org website
- ~1,626 unique visitors to the wiid.org website
 - Of these 1,626 unique visitors, 65% of them were first time users of our website
- ~Visitors from 41 states
 - On average those visitors spent 3 minutes on the site
- ~Visitors from 53 countries, with the top three being US, Canada, and India.
 - The average time China was on our website was 4 minutes
 - The country with the most average time on our website was: Egypt at 7 minutes

WLIC Outreach Programs:

2011 County Fair Tag Program:

- ~1,868 families participated through county fairs and received RFID tags for their animals
- ~County with the most families participating in our program is Walworth with 163 families
- ~County with the least number of families participating in our program is Marquette with 12 families
- ~487 families participated in the State Fair and received RFID tags for their animals
- ~10,174 animals were tagged with an RFID tag during the 2011 fair season
 - 2,505 beef were tagged with RFID
 - 5,513 swine were tagged with RFID
 - 2,081 sheep were tagged with RFID
 - 75 goats were tagged with RFID

RFID Tag Incentive Programs

- ~To date, 384 farms have signed up on our RFID Tag Incentive Programs
- ~To date, WLIC's Tag Incentive Programs have issued over 300,000 RFID tags

Fun Facts about WLIC:

Premises Registrations:

- ~WLIC has registered 1,780 New Premises in 2011
- ~In 2010 and 2011 the month with the most new registrations is June
- ~The County with the most premises registered is Marathon
- ~The top three species based on number of premises registered are: Cattle, Horses, and Poultry

Premises Renewals:

- ~Since October 2010 40,059 premises have been renewed
- ~In 2010 and 2011 the month with the most renewals is December

WLIC Achievements:

- ~WLIC has recorded over 1.2 million animals in the state with an RFID, a 20% increase from 2010
- ~WLIC reads over 1,400 animals at livestock markets on an average month, a 65% increase from 2010
- ~WLIC has read RFID tags in Wisconsin on animals originating from 39 states

Fun Facts about Wisconsin:

Wisconsin Achievements:

- ~In Wisconsin over 600,000 official AIN RFID tags have been issued to producers, veterinarians and county and state fair exhibitors, fourth most in the country